

**LOUISVILLE METRO AIR POLLUTION CONTROL DISTRICT
PRELIMINARY REGULATORY IMPACT ASSESSMENT**

REGULATION 2.08
Fees

FEBRUARY 20, 2013

Purpose of the Draft Proposed Action:

On July 24, 2012, the District issued an advance Notice of Proposed Rulemaking (NPR) generally describing proposed revisions to the District's current Part 2 permitting regulations, including Regulation 2.08, *Fees*.

As explained in the NPR, the District has been exploring a variety of approaches that could be used to streamline its construction and operating permit programs. In general, the draft amendments to Part 2 propose changing the way the District regulates smaller emitting sources in several categories, clarifying existing text, and removing redundant or outdated provisions. The draft amendments also propose revising Regulation 2.08 in support of the proposed changes to the permitting program and to raise additional revenue.

The District is funded through a variety of sources, including the Louisville Metro general fund; grants from EPA; Title V emissions fees; civil penalties; and permit and program fees, including those from the Strategic Toxic Air Reduction (STAR) program, Risk Management Program (RMP), Stage II and asbestos programs. Much of the District's revenue is restricted and may only be used for specific purposes. Permit and program fees vary widely from year to year and, for the most part, do not reflect the complexity of the source and/or the project. The proposed fee changes are intended to simplify the District's current fee regulation, provide for more consistent revenues, and equitably charge for the District's services in support of its mission.

Scope of the Draft Proposed Amendments:

The District implements the federal Clean Air Act in Louisville by delegation from the U. S. Environmental Protection Agency (EPA) and in partnership with the Kentucky Division for Air Quality through a grant of concurrent jurisdiction.¹

As part of its delegation, the District operates a sophisticated network of air monitoring sites and modeling systems for particles, pollutant gases, and meteorology. The District is the permitting authority for all federally required permitting programs, including the Title V operating permit

¹ KRS 224.20-130.

program and the New Source Review (NSR) and Prevention of Significant Deterioration (PSD) pre-construction permitting programs, and minor source NSR. The District also implements the federal MACT (Maximum Achievable Control Technology) standards, the local STAR program for controlling air toxics, and the federal RMP program for chemical accident prevention for facilities with threshold quantities of certain chemicals. In combination, these programs regulate emissions of air pollutants, including nitrogen oxides, carbon monoxide, particulate matter, volatile organic compounds (VOCs), sulfur dioxide, asbestos and other air toxics, from stationary sources to ensure that Louisville Metro makes steady progress toward achieving and maintaining federal and local air quality standards.

In 2005, representatives from EPA Region 4 evaluated the District's NSR and Title V operating permit programs and identified several deficiencies. The District was directed to issue three remaining initial Title V permits and submit plans to (1) meet the regulatory deadlines for addressing all significant and administrative permit revisions; (2) ensure adequate and timely reviews for all deviation reports, including over 1,000 unprocessed reports; and (3) ensure that sufficient trained staff was available to implement the Title V operating permit program. (In the year prior to EPA's evaluation, the District had a staff turnover rate of almost 75%.)

In response, the District proposed issuing the three remaining initial Title V permits to American Synthetic Rubber Company, Rohm and Haas, and General Electric by June 2007; resolving ninety-three significant modifications/revisions and thirty-two administrative permit amendments, and re-issuing thirty-seven Title V operating permits, by June 2008. The District also proposed widespread and significant changes to its permitting program, including, among other things: reducing the number of permitting steps necessary to issue a permit; establishing a compliance supervisor position to address the backlog of deviation reports; reassigning nine of eleven positions proposed for the recently adopted STAR program to the engineering permitting section; preparing standardized potential to emit (PTE) templates for web access; evaluating more efficient approaches to renewing minor source permits; and raising fees in order to offer more competitive salaries to its permitting staff.

On August 16, 2006, the Air Pollution Control Board, the District's governing body, adopted a 10% across-the-board fee increase in an effort to reduce engineering staff turnover and fill remaining vacancies. At that time, the District's permit writing staff consisted of nine engineers, only three of whom had more than twelve months experience.

Despite the increase in salaries, the District continued to struggle with retaining adequate staff and subsequently lost eight new staff members between August 2006 and October 2008. Few had tenures of more than twelve months. The District's then-Director and its long-time Engineering Manager retired in early 2008; the Assistant Director resigned later in the fall. Not surprisingly, the District was unable to meet the timeframe for resolving the Title V permit backlog or revising its permitting program by the proposed deadlines. In fact, the District was able to resolve only two of the thirty-seven outstanding Title V operating permits by issuing Federally Enforceable District Origin Operating permits (FEDOOPs) to Arkema and American Bluegrass Marble. Five other Title V sources closed voluntarily.

Since 2009, the District has focused on improving the efficiency and efficacy of its permitting program through various means, including:

- Re-organizing the permitting section into two supervisory sections.
- Streamlining the number of minor, FEDOOP, and Title V sources per permitting engineer to an average of sixty (including up to four Title V sources).
- Establishing a separate, specialized compliance section to better evaluate permit compliance and conduct on-site inspections. This section resolved the backlog of deviation reports in 2010.
- Developing and implementing a professional, APCD-specific training program for the Title V operating permit program with a national consulting firm.
- Requiring training on principles of air pollution control and permitting, inspection techniques, and enforcement and advanced training on controlling specific pollutants through EPA's Air Pollution Training Institute (APTI), which provides technical training to state, tribal, and local air pollution professionals, and APTI's partner, the California Air Resources Board (CARB), through Metro 4/SESARM.
- Developing standard permit templates, terms, and conditions in Word, rather than Fortran.
- Enhancing transparency and public participation by public noticing all construction permits to Title V sources.
- Revising application forms to reduce duplication of information while providing more detailed and precise information necessary for a completeness determination.
- Issuing Notices of Deficiencies that identify required information for incomplete submittals.
- Developing and issuing a standard permit for perc-based dry cleaners.
- Implementing Hansen 7, Louisville Metro's database system for managing and coordinating the operations and activities within and between Metro agencies, including developing District-specific architecture, interface, and programs, to replace multiple databases. Currently testing Hansen 8 for FY 2013 transition.
- Developing and implementing a career ladder for permit staff based on experience and professional licensure. Currently, three District engineers are Professional Engineers (PE), while fourteen engineers, having completed the 8-hour Fundamentals of Engineering Exam, are Engineers-in-Training (EITs), a pre-requisite for obtaining a PE license in the future. The District is committed to ensuring the professional development of its permitting staff by providing necessary study guides, reimbursing costs of licensing exams, and ensuring progressive experiences in engineering necessary to meet KRS 322.040, *Requirements for licensure as a professional engineer -- Education, experience*.
- Reducing permitting staff turnover. Since 2009, the District has retained all but two of its permitting engineers, one of whom retired and one who unexpectedly passed away. At present, the District has fourteen engineers with more than four years of agency experience.
- Clarifying the STAR program and simplifying the regulatory language by significantly amending nine regulations. Recent amendments have delisted ethyl acrylate as a carcinogenic Category 1 Toxic Air Contaminant (TAC) and listed it as a non-carcinogenic Category 4 TAC; revised the list of Category 4 TACs to be consistent with

Clean Air Act Section 112(b)(1); and exempted greenhouse gases from the definition of a TAC.

- Adopting the 2002 NSR reforms and revising Regulation 2.05 to allow Plantwide Applicability Limit (PAL) permits.
- Completing guidance for calculating PTEs for abrasive blasting booths and cabinets, automotive body shops, blending, storage, and drum loading, boilers, cold solvent parts washers, dry cleaners, lithographic presses, mineral crushers, pyrolysis ovens, spray booths, waste oil furnaces, and a generic FEDOOP, which are available on the web at <http://www.louisvilleky.gov/APCD/Compliance/ComplianceAssistanceForms.htm>.
- Increasing the use of e-mail for most correspondence, including statements of fees.
- Adopting fee dispute resolution provisions for Title V emissions fees.
- Improving the District's filing systems and confidential business information protocols.
- Streamlining emissions inventory reporting requirements for non-Title V sources, improving required forms and guidance for Title V sources, and dedicating a full-time Environmental Coordinator to reduce inconsistencies in emissions reported and ensure compliance with federal reporting requirements.
- Continuing to focus on small business outreach, which is required by sections 502 and 507 of the Clean Air Act, with plans to develop a Small Business Outreach section in the future.²

These efforts have dramatically improved the District's ability to issue accurate, comprehensive, and consistent permits in a timely manner, as illustrated by the Title V operating permits issued and renewed by the District since 2005:

Company/ Plant Name	Permit Effective Date
American Synthetic Rubber Company	08/31/06
Rohm and Haas Kentucky, Inc.	02/28/07
Marathon Petroleum Company, LLC	04/15/09
LG&E Zorn Generating Station	07/15/09
Veteran's Administration Louisville Medical Center	07/15/09
Louisville Medical Center Steam Plant	09/30/09
GE Consumer & Industrial ³	02/28/10
Texas Gas Transmission LLC	04/28/10
Ford Motor, Louisville Assembly Plant	10/15/10
University of Louisville	01/26/11
Nuplex Resins	07/18/11
Industrial Container Services	09/02/11
Caldwell Tanks, Inc.	10/18/11
Sam Meyers, Inc.	01/22/12
Reynolds Metals Company (now LL Flex, LLC)	01/31/12

² 42 USC 7661(a) and (f).

³ Last initial Title V permit.

Company/ Plant Name	Permit Effective Date
Brown-Foreman Cooperage	05/16/12
Ford Motor Co. Kentucky Truck Plant	05/17/12
Brown-Foreman Distillery	06/01/12
Reynolds Metals Company	06/30/12
Kentucky Trailer Company	10/30/12

Since 2009, the District has issued eighteen Title V Operating Permits. During this same time period, the District has issued one hundred and forty-five construction permits to Title V sources. These include construction permits in calendar year 2009 for Reynolds Foil, Sud Chemie, American Synthetic Rubber Company, E. I. du Pont de Nemours, Kosmos Cement Company and GE Consumer & Industrial and Outer Loop Recycling and Disposal, Kentucky Trailer Company, Hexion, The Veteran's Administration Louisville Medical Center, Lubrizol, Zeon, BAE Systems and Land Armaments, Recast Energy Louisville, Marathon Petroleum Company, and Lubrizol in 2010. In 2011, the District issued construction permits to Carbide Industries LLC, among others, for the reconstruction of the electric arc furnace following the catastrophic loss of its previous furnace, the \$800 million dollar expansion of production by General Electric at Appliance Park, and the substitution of cyclohexane and methylcyclohexane for toluene by America Synthetic Rubber Company in its chemical processes. Construction permits in 2012 include those issued to General Electric for additional projects related to the five new Appliance Park production lines, Reynolds Metals Company (LL Flex, LLC) for expanded production, Eckart America for facility upgrades, and Louisville Gas & Electric Company to comply with new federal regulations, including 40 CFR 63, Subpart UUUUU (the federal Mercury and Air Toxics rule) at the Mill Creek and Cane Run Generating Stations. PAL permits were issued to the Ford Motor Company's Louisville Assembly Plant in 2010 and Kentucky Truck Plant in 2012.

The District intends to issue renewed Title V permits to the following sources by June 15, 2013, and June 15, 2014, in accordance with its commitment to EPA.

June 15, 2013	June 15, 2014
BAE Systems Land & Armaments	LG&E Cane Run Station
Carbide Industries	Recast Energy Louisville
Conco, Inc.	Eckart America Aluminum
LG&E Paddy's Run Station	Kosmos Cement Company
Outer Loop Recycling and Disposal Facility	American Synthetic Rubber Company
E. I. DuPont de Nemours	LG&E Mill Creek Station
Rohm & Haas Kentucky, Inc.	Momentive Specialty Chemicals
Sud-Chemie South Plant ⁴	Sud-Chemie West Plant
United Parcel Service	Lubrizol Advanced Materials
Zeon Chemicals LP	

⁴ The District issued a FEDOOP permit for Sud Chemie's South Plant on November 5, 2012.

Meeting this goal while continuing to meet economic development expectations will require continued improvements on the part of the District,⁵ including the Part 2 revisions proposed as part of this rulemaking. Importantly, these revisions will exempt numerous small sources with low potential emissions from the requirement to obtain construction and operating permits; authorizing the construction and operation of other small emissions sources under a single registration; and providing simplified recordkeeping and reporting requirements for small sources that conduct surface coating operations. By the District's tally, these revisions would apply to over 450 sources that are currently permitted by the District. Improvements planned for the future include adopting permits-by-rule for emergency generators and other source types, developing on-line, web-based reporting and application processes that meet EPA's Cross-Media Electronic Reporting Regulation (CROMERR),⁶ establishing combined construction and operating permits for Title V and FEDOOP sources, and creating a new executive administrator position to manage the District's billing, revenue, and expenditures.

To be clear, the District's proposed fee revisions are not based solely on the needs of its permit engineering section. The District is comprised of several core sections that support its mission to "protect air quality in Louisville to ensure healthy air for breathing, economic security and prosperity for our citizens and future generations." These include, for example, the District's Air Quality Monitoring section, which operates and maintains a monitoring network to collect and analyze air quality. The network currently includes seven sites with over two dozen sophisticated instruments. An additional site for near-road monitoring of NO_x (which is required, but not funded, by the EPA,) is being designed for installation in the near future. The data provided by the monitoring network are used by the District, the EPA, and others for a number of purposes, including the issuance of Air Quality Alerts, which provide near real-time health information to the general public. Air Quality Monitoring staff also conduct dispersion modeling, necessary to help understand how pollutants travel in the ambient air, for air toxic and criteria pollutant impacts and long-range air quality forecasting.

As another example, the Environmental Compliance section investigates citizen complaints about air pollution, including foul odors, dust and particulate matter, and outdoor burning. Environmental Compliance staff members are duly sworn peace officers with the power to enter and inspect various sources for suspected violations of air quality laws. This section is also responsible for permitting and compliance for Gasoline dispensing (Stage I/Stage II) facilities, removal of asbestos-containing material, and open burning. The Enforcement section ensures that industry, commercial businesses, and the public comply with applicable regulations by issuing notices of violation and working with the Jefferson County Attorney's Office to settle violations through board orders and agreements, administrative hearings, or, when necessary, through civil or criminal prosecution.

⁵ The District notes that its ability to meet regulatory time frames or source expectations is often complicated by a source's failure to submit a complete application or provide adequate information on follow-up. To reduce this inefficiency, the District has begun enforcing its deadlines.

⁶ CROMERR requires states, tribes, and local governments using electronic reporting for delegated programs to revise or modify their programs and obtain EPA-approval. Information on CROMERR is available at: <http://www.epa.gov/cromerr/index.html>.

Finally, the Public Information section, which oversees Kentuckiana Air Education (KAIRE), the District's education and outreach effort, is responsible for organizing information internally and communicating information about the Air Pollution Control District to the public. Additional outreach expertise and policy development is provided by the Environmental Programs section, which, among other things, develops and implements new programs to reduce emissions from non-regulated sources, including land use and development reviews, the Grow More Mow Less and Lawn Care for Cleaner Air programs, and the Idle Free Louisville campaign. This section also conducts transportation modeling, prepares and submits State Implementation Plan and Title V program revisions to EPA, and responds to numerous open records requests. In short, it takes the agency, operating as a whole, to clean the air.

Estimated Costs and Savings:

After reviewing the fees charged by other air pollution control agencies as outlined in the NPR, the District is proposing to restructure its current fee schedule to a simpler schedule based on the source type and service provided.

For the current fiscal year (FY 2013), the proposed regulation includes a nonrefundable application fee, which the District hopes will reduce the number of written, but not paid for, permits relating to projects that were pursued but not constructed. The District will also be assessing fees for stationary sources operating pursuant to an application shield under Regulation 2.17, and minor stationary sources authorized to continue operating in compliance with the latest District permit from the date the most recent permit expired through the end of FY 2013. With the exception of these fees, all permit fees will be paid prior to the issuance of a permit.⁷ Program fees, emissions fees, and other fees, including the back fees described above, will be billed as usual and subject to the District's current payment deadlines and procedures. Sources may apply, if necessary, for a payment plan.

There are twenty-one sources in Louisville Metro subject to the federal Risk Management Plan (RMP) Program under Regulation 5.15; seven of these are Title V sources. When adopted in 1998, the RMP program was substantially funded through a grant from EPA. At that time, a decision was made to exclude the Title V sources subject to RMP from paying RMP fees. A fee of \$480, adjusted annually for the Consumer Price Index, was subsequently adopted for non-Title V sources subject to the program. The RMP fee is now \$694 and yields \$9,716 in annual revenue. The RMP program, however, costs the District approximately \$50,000 a year to implement. For that reason, the District is proposing that all sources subject to Regulation 5.15 pay a fee based on the highest RMP program level for any process at the source. Based on the RMP sources currently located in Louisville Metro, a Program 1 source would pay \$723, a Program 2 source would pay \$1,250, and a Program 3 source would pay \$2,647 beginning in FY 2013.

Nearly 140 sources are currently regulated under Regulation 5.21, *Environmental Acceptability of Toxic Air Contaminants (TAC)*, of the STAR Program. When adopted in 2005, the STAR Program was partially funded by an EPA grant. At that time, a decision was made to adopt fees

⁷ This is a change from the District's current practice of sending the bill with the permit.

applicable to Group 1 (Title V sources) and Group 2 (FEDDOOP sources) for FY 2006 that were collectively 42% of the total projected cost of the FY 2006 STAR Program, adjusted annually by the Consumer Price Index. Approximately 83% of program's cost was allocated to the Group 1 sources while only 17% of the cost was allocated to the Group 2 sources based on relative emissions. The initial fees for FY 2006 were:

Stationary Source	Base Fee	Proportional Share
Group 1	\$4,350	\$187,075
Group 2	\$433	\$0

In October 2009, the District revised the proportional-share amount fees for the STAR Program to a flat fee per ton. For Fiscal Year 2010, the amount to be apportioned among these Group 1 sources would have been \$235,112 (FY 2009's \$225,505 adjusted for inflation). The District substituted a flat-rate fee of \$200 per ton of TACs emitted, which was slightly more than the proportional share total, but still only about half of the District's costs of implementing STAR.

For FY 2012, Group 1 sources paid a total of \$363,332.65, while permitted Group 2 sources paid \$53,088.00. The current fees for FY2013 are:

Stationary Source	Base Fee	Per Ton Share
Group 1	\$5,691	\$208
Group 2	\$566	\$0

Because the complexity of determining the environmental acceptability of a stationary source's emissions under Regulation 5.21 is not dependent on the size of the source or its relative emissions, the District is now proposing to revise the fee for Group 2 stationary sources from \$566 each year to \$5,691, i.e., the same base fee as that charged to Group 1 sources, beginning in FY 2014.

The District is proposing to revise Regulation 5.00 to exclude certain small sources from the requirement to demonstrate the environmental acceptability of their TAC emissions under Regulation 5.21 of the STAR Program and avoid the proposed increased annual fees. These small sources will instead be subject to the general duty clause in Regulation 5.01 or evaluation under Regulation 5.30 as area sources of emissions due to their small size, provided they accept a federally enforceable emission limit of 25 tons per year or less of a regulated air pollutant, 5 tons per year of a hazardous air pollutant (HAP), or 12.5 tons per year of combined HAPs as detailed in the Preliminary Regulatory Impact Assessment for Regulation 5.00. There are no proposed changes to the District's standards or applicable requirements, including the Environmental Acceptability Goals (EAGs) in Regulation 5.21.

Stationary sources that retain their current FEDDOOP emission limits for operational flexibility, future expansion, or market competitiveness continue to be defined as "Group 2 stationary

sources” and required to demonstrate the environmental acceptability of their emissions under Regulation 5.21. If the current proposal is adopted by the Board, these sources will pay the proposed increased annual base fee.

The District is also proposing to assess a fee of \$1,500 to review required Environmental Acceptability demonstrations and a fee of \$100 per TAC, up to a total of \$500, for de minimis determinations for both Group 1 and 2 stationary sources. An exempt source may be required to pay these fees if the District determines that the source must model its emissions or complete a de minimis determination under the general duty clause of Regulation 5.01 or as an area source under Regulation 5.30. The proposed changes to the STAR program may raise between \$124,542 and \$398,370 in revenue, depending on how many FEDOOP sources agree to the limits proposed in Regulation 5.00.

Other changes are proposed for FY 2014. These include fees for public hearings that are held at the request of convenience of a company; stack tests (reviewing protocols, observing the test, reviewing the results); administrative, minor, and significant permit revisions for all source categories; new permit types, such as registered sources; and “per pollutant” fees for PAL permits and PSD/NSR projects, including GHGs. Consider, for example, PSD permits, which require that each pollutant be analyzed independently for compliance with various thresholds and significance levels. As it stands, the District currently assesses one fee for PSD reviews regardless of whether emissions of one pollutant or six must be analyzed. Doing so essentially undercharges some applicants with multiple pollutants and shortchanges the District for the volume and complexity of work involved. The proposed fees are intended to better reflect the value of the work performed by the District, while at the same time simplifying the District’s fee regulation and providing certainty with respect to the amounts charged. Section 1.7 of the draft version of Regulation 2.08, which was proposed on February 20, 2013, has been revised to clarify that gasoline dispensing facilities will not be subject to annual billing. The fee amounts listed for FY 2013 and FY 2014 in the proposed draft apply to permits with a 5 year term, unless adjusted pursuant to new section 1.11.

Feasibility of All Alternatives:

Under the District’s current fee structure, construction permits are issued based on potential emissions from the project, not the source.⁸ This means that projects that are (1) small, but complicated, like an emergency generator or (2) located at a complex source, such as a chemical plant, are often assessed the same fees as less complicated projects at less complex sources, despite requiring substantial work by the District. FEDOOP and minor source operating permits are issued based on source-wide potential emissions multiplied by the number of permits issued by the District for equipment located at the source.⁹ (Fees for Title V operating permits are based on the source’s annual emissions without regard to equipment.) This means that a source with one piece of equipment and potential emissions of five tons per year would be assessed a fee of \$306 to operate as a minor source in Louisville Metro.¹⁰ If that source later added a new piece of equipment and doubled its potential source-wide emissions to greater than or equal to

⁸ Regulation 2.08 section 2.4.1 (November 2011).

⁹ Regulation 2.08 sections 2.4.2, 2.6.4 (minor source), and 2.7.3.2 (FEDOOP) (November 2011).

¹⁰ Regulation 2.08 section 2.6.5.5 (November 2011).

ten, but less than fifty, tons per year, the fee for the subsequently issued operating permit would be \$930, or \$465 for each permit issued by the District for each piece of equipment.¹¹ If the source later added additional pieces of equipment, such as a small boiler, a parts washer and a paint booth, and increased its potential emissions to less than one hundred, but greater than or equal to fifty, tons per year, the fee for the subsequently issued operating permit would be \$3,015, or \$603 for each of the five permits issued to the source for the equipment.¹² Another minor source – or even a FEDOOP -- with fewer pieces of equipment would pay less even if the potential source-wide emissions were the same or greater.¹³

In revising Regulation 2.08, the District reviewed fees charged by various air pollution control agencies, including the Georgia Department of Natural Resources, the City of Albuquerque, the Illinois Environmental Protection Agency, the New Jersey Department of Environmental Protection, the Oklahoma Department of Environmental Quality, Puget Sound Clean Air Agency, San Diego Air Pollution Control District, the Tennessee Department of Environmental Conservation, the Vermont Department of Environmental Conservation, and the State of Washington Department of Ecology, as described in the NPR.¹⁴

Briefly, the District considered three possible fee structures: (1) an hourly rate such as that used by the Colorado Department of Public Health; (2) an emissions basis such as that used by the City of Albuquerque; and (3) a flat fee basis like that used in Illinois.

Hourly Basis	
<i>Colorado Department Of Public Health and Environment</i>	
Filing Fee	\$152.90
Annual Emissions Fee	\$ 22.90/ton criteria pollutants \$152.90/ton HAPs
+ Permit Processing Fee	<u>\$76.45 per hour</u>
	Total Fee
Emissions Basis	

¹¹ Regulation 2.08 section 2.6.5.4 (November 2011).

¹² Regulation 2.08 section 2.6.5.3 (November 2011).

¹³ Regulation 2.08 section 2.7.5 (November 2011).

¹⁴ See the NPR for a list of web addresses for the agencies listed above.

<i>City of Albuquerque</i>
<p>Annual Permit fee for Major Sources:</p> <p>\$45/ton criteria pollutants or \$315 /ton Hazardous Air Pollutants <u>X Allowable emissions rate for each pollutant</u> Total Fee</p>

Flat Fee Basis
<i>Illinois Environmental Protection Agency</i>
<p>Base Fee per Emission Unit \$ 4,000 (new)/\$2,000 (Modified) <u>+ Each additional Emission Unit \$ 1,000 (each)</u> Total Base Fee up to \$10,000</p> <p>Plus Supplemental Fees, including, but not limited to:</p> <p>New Major source entry fee \$5,000 Public Hearing fee \$10,000 BACT determination \$5,000 (per unit) Netting (per pollutant) \$3,000 Similar schedule for non-major sources</p>

Each has benefits and limitations; however, the District has determined that a flat fee-per service basis, which incorporates operational and graduated fees depending on the source type and service provided, is more equitable and simpler than its current fee structure.

Comparison with Any Minimum or Uniform Standards:

Proposed Regulation 2.08 version 26 is consistent with the District's permitting regulations for minor source, FEDOOP and Title V sources.

The District is required by the Clean Air Act, 42 USC 7401 et seq., and KRS 77.205 to adequately fund the Title V operating permit program and the District's non-Title V permitting program. There are no federal requirements for fees associated with the STAR program, although the program is consistent with the District's obligations under the Clean Air Act and its commitments to the United States Environmental Protection Agency to reduce the risk from toxic air contaminants.

Report on Public Outreach Efforts:

This draft proposed Regulation 2.08 was proposed for informal external review on December 10, 2012 and formal public comment on February 20, 2013, and sent to: all members of the Air Pollution Control Board; all persons who have requested to be notified of proposed changes to any District regulations; EPA Region 4; and the Kentucky Division for Air Quality.

The informal public comment period ended on January 24, 2013. The public will have an opportunity to comment during the 30-day public comment period; at a meeting of the appropriate committee of the Air Pollution Control Board; and at a public hearing prior to consideration by the full Board.